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March 22, 2006

Via Electronic Delivery

Honorable Kevin Martin
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte* Letter
AU Docket Number 06-30

Dear Chairman Martin:

The Rural Telecommunications Group, Inc. ("RTG"), by its counsel, hereby submits this letter in support of the proposal put forth by T-Mobile USA, Inc. ("T-Mobile") which suggested that the Commission's tentative decision to apply a non-transparent bidding mechanism in the AWS-1 spectrum auction should depend on whether the auction was competitive as measured by an "eligibility ratio." RTG, which represents small rural wireless carriers, is concerned that the Commission's proposed use of a non-transparent bidding mechanism will disadvantage small carriers, contrary to the mandate of Section 309(j) of the Communications Act of 1934, as amended ("Act").¹ It has been RTG members' experience in previous auctions that the disclosure of bidders' license selections prior to the auction and the disclosure of the identities of all bidders and their bid amounts at the conclusion of each round during an auction greatly benefited rural carriers. With inherently limited financial resources due to their size, rural carriers must necessarily be judicious in where they spend their resources during an auction. Knowledge of the identity of potential neighbors is crucial to rural "gap filling" auction strategies. The T-Mobile proposal, triggering a transparent auction under certain competitive conditions, should address the Commission's concerns regarding possible auction collusion while also ensuring that rural wireless carriers are able to bid with confidence.

RTG also supports the proposal put forth by the United States Cellular Corporation (U.S. Cellular) on March 17, 2006 concerning an auction "snapshot" that will allow bidders a glimpse of the auction as it progresses. While RTG ultimately supports full transparency, the U.S. Cellular proposal represents a method for rural bidders to have at least some level of confidence when they bid for AWS spectrum. RTG members who serve smaller license areas are much

¹ 47 U.S.C. § 309(j)(3)(A).

more interdependent upon their neighbors than larger carriers and crucial knowledge of the identities of their neighbors during the AWS-1 auction will allow them to bid in a more rational manner.

If you have any questions regarding this filing, please communicate directly with the undersigned.

Sincerely,

/s/

Kenneth C. Johnson
Counsel, Rural Telecommunications Group, Inc.

cc: Marlene H. Dortch, Secretary
Leslie Marx
Walter Strack
James Schlichting